

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:6734
ANSWERED ON:10.05.2002
BENEFITS OF EXPORT PROMOTION SCHEMES
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government propose to launch a specific export promotion scheme to focus on cottage and handicrafts sector;
- (b) if so, the relaxations for entitlement of benefits under the scheme proposed to be extended to these sectors;
- (c) whether the government have decided to extend the benefits of Exim Policy schemes to common service providers belonging to certain towns in specific geographical locations contributing to exports;
- (d) if so, the towns identified for this scheme; and
- (e) the benefits proposed to be extended to exporters from these towns?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b): Yes Sir, the government has announced a specific export promotion package for the cottage and handicrafts sector in the new Exim Policy 2002-07. This includes the earmarking of Rs 5 crore under the Market Access Initiative (MAI) for the cottage sector exports coming under the Khadi Village Industries Corporation (KVIC). In the case of exports under the handicrafts sector, the policy provides access to funds under MAI for development of a virtual website and duty free import entitlement of an enlarged list of items as embellishments upto 3% of FOB value of their exports. The units in both these sectors would not be required to maintain average level of exports under the Export Promotion Capital Goods Scheme and would also be entitled to recognition as Export Houses on achievement of a lower average export performance of Rs. 5 crores as against Rs. 15 crores in other cases.

(c) to (e): The government has identified three towns of export excellence which include Tirupur for hosiery, Panipat for woollen blankets, and Ludhiana for woollen knitwear. The common service providers in these towns would be entitled to the facility of the EPCG Scheme. The other benefits proposed to be extended to these towns are the accessibility of MAI funds to the recognized industry associations of these towns and priority for export infrastructure development under the Assistance to the States for Infrastructural Development of Exports (ASIDE). The small scale units in these towns would also be able to attain the Export House status on achievement of a lower average export performance of Rs 5 crore.